

Business Services and Economic Development

FY 2002 Proposed Operating Budget:	\$32,839,692
FY 2002 Proposed Capital Budget:	\$11,600,000
FY 2002-FY 2007 Proposed Capital Improvements Plan:	\$20,200,200

The Business Services and Economic Development (BSED) cluster facilitates the creation and growth of wealth in the District of Columbia and expands the revenue base by developing and implementing programs and policies for the retention, expansion, and attraction of commerce and trade, including local, small, and disadvantaged business, and developing and maintaining stable, diverse, and attractive neighborhoods throughout the District of Columbia.

The FY 2002 proposed operating budget is \$32,839,692, an increase of \$6,086,463, or 22.8 percent, over the FY 2001 approved budget.

The FY 2002 capital budget totals \$11,600,000.

Budget Summary

The FY 2002 proposed operating budget for all funding sources for BSED is \$32,839,692, an increase of \$6,086,463, or 22.8 percent, over the FY 2001 approved budget of \$26,753,229 (table EB0-1). In FY 2002, this agency will receive 50 percent of its funding from local sources. The FY 2002 proposed budget will support 102 FTEs, an increase of 5 FTEs over FY 2001 (table EB0-2). The increase in funding and FTEs will support Neighborhood Action activities and planning studies, initiatives to encourage economic growth and to attract high technology companies, and improved review of development activity. The FY 2002 budget includes a \$47,355 decrease in fixed costs for management reform savings.

The FY 2002 capital budget for BSED is \$11,600,000 and \$20,200,000 for the six-year period. The capital program supports the agency through the development of programs and services for economic development.

Strategic Issues

- Coordinate planning and development activities with other District and federal agencies involved in the economic, physical, and social development of Washington, D.C.
- Produce long-term, short-term, and urban-design plans and programs, manage zoning and subdivision, maintain and communicate planning information and data to establish structure for development in the District.
- Develop and implement strategies and plans to redevelop targeted neighborhoods.

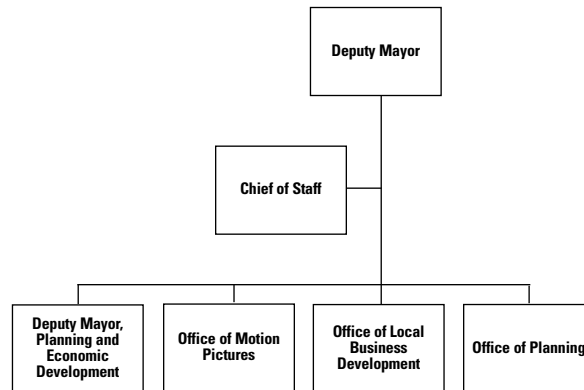
FY 2002 Initiatives

The agency will focus on these initiatives:

- Implement Neighborhood Action and planning activities, including workshops and strategic plans.
- Develop a District facilities plan.

Figure EB0-1

Business Services and Economic Development



- Develop commercial revitalization initiatives.
- Facilitate progress of the National Capital Revitalization Corporation.

Agency Background

BSED, a cluster of four agencies, assists with activities that foster economic growth and employment opportunity in the District of Columbia. BSED's aim is to retain, expand, and attract business in the District through strategic neighborhood revitalization policies and actions to remove blight. It strives to facilitate opportunities for commercial and human capital development consistent with the economic, social, housing and employment needs of the residents and citizens of the District.

Programs

BSED (figure EB0-1) provides the following programs and services through its four agencies:

The **Office of the Deputy Mayor for Planning and Economic Development (DMPED)** promulgates and enforces the policies of the Mayor's Office in the field of neighborhood revitalization and economic development. The office helps the Mayor coordinate, plan, supervise, and, in some cases, execute programs, policies, proposals and functions. The office also advises the Mayor on the most effective allocation of public resources for economic development. By developing and overseeing implementation of policies and programs that revitalize neighborhoods, attracting

and retaining businesses, and fostering economic growth and employment opportunities, the office works toward its goal of strengthening the economic health and vitality of Washington, D.C.

The proposed budget for this program in FY 2002 is \$23,753,718. Local funding totals \$7,657,292, an increase of \$3,525,308, or 85 percent, over FY 2001. Local funding supports 15 FTEs. The increase will support an initiative to attract high technology companies to the city, feasibility studies and economic development initiatives, and funding to fill all available positions

An additional \$1,096,426 of Other (O-type) funds supports the Industrial Revenue Bond program and 7 FTEs. The remaining \$15,000,000 in Other funds is dedicated to the Business Improvement District (BID) program. BIDs are public/private partnerships eligible to retain portions of their property taxes to finance the upkeep and maintenance of their retail and commercial areas.

The **Office of Motion Pictures and Television Development (OMPTD)** initiates and implements programs to generate revenue and stimulate employment opportunities in the District by attracting and retaining film and video production projects.

The information and communication age has created great demand for new forms of filmed entertainment and traditional television and commercial production. With the rise in demand, film and video production has become an economic force in the District. The Office of Motion

Table EB0-1

FY 2002 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

Business Services and Economic Development

	Actual FY 2000	Approved FY 2001	Proposed FY 2002	Change from FY 2001
Regular Pay - Cont. Full Time	3,094	5,966	6,713	747
Regular Pay - Other	52	0	0	0
Additional Gross Pay	55	0	0	0
Fringe Benefits	398	960	1,187	227
Unknown Payroll Postings	0	0	0	0
<i>Subtotal Personal Services (PS)</i>	<i>3,599</i>	<i>6,926</i>	<i>7,899</i>	<i>974</i>
Supplies and Materials	137	291	240	-51
Utilities	56	31	23	-7
Communications	169	107	89	-18
Rentals - Land and Structures	553	753	762	9
Janitorial Services	0	0	18	18
Security Services	0	0	22	22
Other Services and Charges	3,196	2,760	7,042	4,282
Contractual Services	311	217	1,667	1,450
Subsidies and Transfers	8,404	15,000	15,000	0
Equipment and Equipment Rental	267	668	76	-592
<i>Subtotal Nonpersonal Services (NPS)</i>	<i>13,094</i>	<i>19,828</i>	<i>24,940</i>	<i>5,113</i>
Total Proposed Operating Budget	16,693	26,753	32,840	6,086

Table EB0-2

FY 2002 Full-Time Equivalent Employment LevelsBusiness Services and Economic Development

	Actual FY 2000	Approved FY 2001	Proposed FY 2002	Change from FY 2001
Continuing full time	47	97	102	5
Term full time	7	0	0	0
Total FTEs	54	97	102	5

Pictures and Television Development plays a major role in turning creative energy from this production into artistic and economic success. By positioning the capital at the forefront of film and video development, the offices provides the means for the District to gain from this movement.

The District has the talent and resources in

place to capture a share of lucrative production dollars. Filmmakers hire local residents as actors, extras, grips, gaffers and film in people's homes and offices. Furthermore, they create a substantial number of temporary, nonproduction jobs for local residents.

The film production companies also purchase supplies at hardware and equipment stores, utilize

an assortment of businesses that service the film industry, shop in stores, eat in restaurants, and stay in hotels. Moreover, for every dollar spent on production a percentage goes to the D.C. Treasury in taxes and unemployment benefits savings.

Furthermore, a substantial number of temporary jobs are created for local residents by this industry. By increasing levels of production, its projects will provide more jobs and job-training for local residents.

The proposed FY 2002 operating budget for OMPTD is \$462,018 and supports 4 FTEs.

The **Office of Local Business Development (OLBD)** fosters the economic growth of local, small and disadvantaged businesses through supportive legislation, business development programs, and public and private sector contracting opportunities. Through marketing and outreach efforts, the office certifies companies to participate in the local small and disadvantaged business enterprise (LSDBE) program. The office also enforces District procurement regulations (DC Law 12-268) and monitors agreements made with our private partners through the Industrial Revenue Bond and Tax Increment Finance programs to ensure LSDBE contracting opportunities. The proposed FY 2002 budget includes funding to support technical assistance for operation of the District contract compliance systems; enforcement of the Equal Opportunity for Local, Small and Disadvantage Business Enterprises Act of 1998; enforcement of the Blanket Order Blitz Increase Opportunity for Local, Small and Disadvantage Business Enterprise Emergency Amendment Act of 1999; support for the Penn-Branch Mall Business Resources Center; and the promotion and marketing of the agency's initiatives.

The FY 2002 proposed budget for OLBD totals \$1,043,602, an increase of \$144,615 over FY 2001. This increase will support outreach efforts to local businesses, update a database of all qualified local businesses, create online application procedures, and fund a study of how District businesses can better meet the city's contracting and procurement needs. These funds also support 10 FTEs including the restoration of 2 FTEs for outreach efforts.

The **Office of Planning** was designated by the Mayor (Mayor's Order 75-42 and 83-25) as the central planning agency for the District of

Columbia pursuant to The Home Rule Act. The office helps the Mayor develop, implement, and manage land use; coordinate planning activities; and carry out municipal planning functions.

Through genuine and inclusive planning principles and a foundation of community participation, the office provides the vision and framework for public and private actions that will help create an exemplary capital city. It also focuses on initiatives that provide the greatest opportunity to improve the quality of life in the District for many people, not just a few. The office also targets distressed neighborhoods and underutilized areas of the city through new public, private, and community collaborations. It is the rebuilding of an effective, certain, fair, credible, open and influential community planning and development review process that provides opportunities for genuine participation. It is also using planning and the planning process to expand opportunities and choices for the District's underserved population.

The Office of Planning will use the Comprehensive Development Plan to restore a vision and world-class planning for the District to achieve its full economic potential, beauty, and the superior and just quality of life exemplary of a capital city of a great nation.

The Neighborhood Action program will develop annual strategic plans for each neighborhood cluster. These plans will guide the development of a citywide strategic plan and the allocation of public resources. Development review planners will work on zoning and historic preservation cases to accommodate the increasing volume of development activity.

The total FY 2002 operating budget for the Office of Planning is \$7,580,354 and supports 66 FTEs for neighborhood planning initiatives and review of development activities. Local funding is \$7,276,627 and supports 64 FTEs, an increase of \$2,369,804, or 48 percent, over FY 2001. This significant increase is necessary to implement neighborhood planning activities in coordination with the Neighborhood Action program, improve the development review process, and initiate planning studies. The proposed federal budget is \$303,727 and two FTEs to support the Historic Preservation Review Board.

Funding Summary

The proposed FY 2002 operating budget for all funding sources is \$32,839,692, an increase of \$6,086,463 (22.8%) over the FY 2001 approved budget. Refer to the FY 2002 Operating Appendices (bound separately) for details.

Local

The FY 2002 proposed local budget is \$16,439,539, an increase of \$6,086,463, or 59 percent, over the FY 2001 approved budget. Of this increase, \$973,720 is in personal services and \$5,112,743 is in nonpersonal services. There are 93 FTEs supported by local sources, an increase of 5 FTEs over FY 2001. The increase in funding and

FTEs will support neighborhood action initiatives, review of zoning, historic preservation, and other development activity, and initiatives to encourage the growth of high technology companies in the District. The FY 2002 budget includes a decrease of \$47,355 in fixed costs for management reform savings.

Federal

The FY 2002 proposed federal budget is \$303,727, the same level as FY 2001. Federal funds support 2 FTEs, no change from FY 2001.

Table EB0-3

FY 2002 EBO Proposed Operating Budget, by Revenue Type

(dollars in thousands)

Business Services and Economic Development

	Actual FY 1998	Actual FY 1999	Actual FY 2000	Approved FY 2001	Proposed FY 2002
Local	23,985	5,558	6,762	10,353	16,440
Federal	645	0	739	304	304
Other	1,326	7,171	8,384	16,096	16,096
Intra-District	1,957	0	808	0	0
Gross Funds	27,913	12,729	16,693	26,753	32,840

Figure EB0-2

BSED Employment Levels, FY 1998–Proposed FY 2002

(gross FTEs)

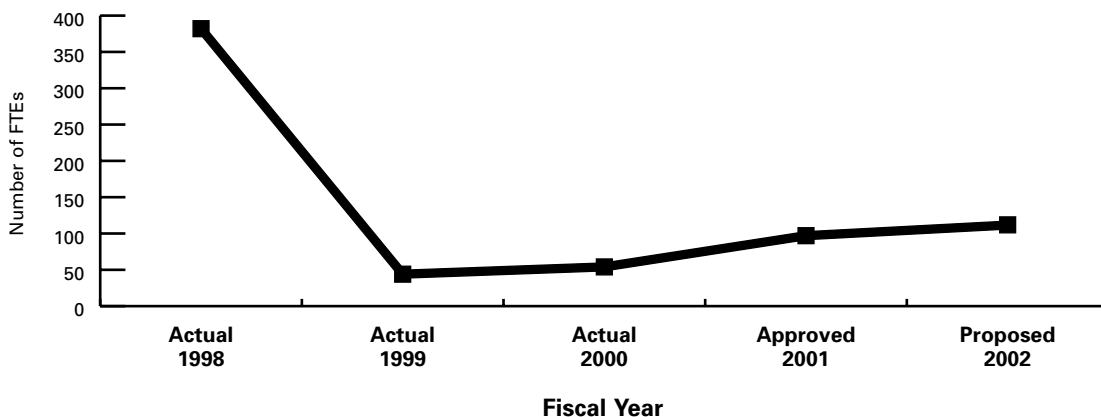


Table EB0-4

Capital Improvements Plan, FY 2000 - FY 2007

(Dollars in Thousands)

Business Services & Economic Development

Cost Elements	EXPENDITURE SCHEDULE										
	Through FY 2000	Budgeted FY 2001	Total	Year 1 FY 2002	Year 2 FY 2003	Year 3 FY 2004	Year 4 FY 2005	Year 5 FY 2006	Year 6 FY 2007	6 Years Budget	Total Budget
a. Design:	0	210	210	0	0	0	0	0	0	0	210
b. Site:	0	3,000	3,000	3,000	0	0	0	0	0	3,000	6,000
c. Project Mngmnt:	1,102	246	1,348	0	0	0	0	0	0	0	1,348
d. Construction:	10	6,180	6,191	8,600	8,600	0	0	0	0	17,200	23,391
e. Equipment:	5,373	1,068	6,441	0	0	0	0	0	0	0	6,441
Total:	6,486	10,704	17,190	11,600	8,600	0	0	0	0	20,200	37,390

FUNDING SCHEDULE											
a. Long Term Financing:	7,590	9,600	17,190	11,600	8,600	0	0	0	0	20,200	37,390
b. Tobacco Securitization:	0	0	0	0	0	0	0	0	0	0	0
c. Grants:	0	0	0	0	0	0	0	0	0	0	0
d. Pay Go:	0	0	0	0	0	0	0	0	0	0	0
e. Hwy Trust Fund:	0	0	0	0	0	0	0	0	0	0	0
f. Equipment Lease	0	0	0	0	0	0	0	0	0	0	0
g. Alternative Financing	0	0	0	0	0	0	0	0	0	0	0
h. Other:	0	0	0	0	0	0	0	0	0	0	0
Total:	7,590	9,600	17,190	11,600	8,600	0	0	0	0	20,200	37,390

Other

The FY 2002 proposed budget for Other (O-type) revenue sources is \$16,096,426, the same level as FY 2001. The majority of these funds are dedicated to the Business Improvement District program. Other funds support 7 FTEs, no change from FY 2001

Capital Improvements Program

The agency currently has planned expenditures of \$11,600,000 in FY 2002 and \$20,200,000 in FY 2002-FY 2007 for neighborhood revitalization initiatives. No new funding is proposed for FY 2002. Refer to the FY 2002 Capital Appendices (bound separately) for details.

Trend Data

Table EB0-3 and figure EB0-2 show expenditure and employment histories for FY 1998-Proposed FY 2002.

Agency Goals and Performance Measures

The Office of the Deputy Mayor for Planning and Economic Development is responsible for implementing Priority Area 3 of the Citywide Strategic Plan, Promoting Economic Development. In addition, the Office of the Deputy Mayor provides oversight to the Office of Planning, the Office of Local Business Development and the Office of Motion Pictures and Television Development.

Priority Area 3: Promoting economic development

Manager: Eric Price, Deputy Mayor, Planning and Economic Development

Supervisor: Anthony A. Williams, Mayor

Performance Measure 3.1: Demolish vacant and abandoned housing units

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	500	400	500	TBD
Actual	N/A	601	-	-	-

Performance Measure 3.2: Board up, vacant, and abandoned properties

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	1,000	1,500	1,200	1,200	TBD
Actual	679	2,038	-	-	-

Performance Measure 3.3: Number of new single-family and multi-family units funded through construction loans made in the fiscal year

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	250	800	408	TBD
Actual	N/A	441	-	-	-

Performance Measure 3.4: Number of single-family and multi-family units funded through rehabilitation loans made in the fiscal year

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	496	1,870	1,054	TBD
Actual	N/A	500	-	-	-

Performance Measure 3.5: Initiate new retail development in the District's neighborhoods

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	2	1	1	TBD
Actual	N/A	1	-	-	-

Note: Includes supermarkets, department stores, etc.

Performance Measure 3.6: Employ residents in unsubsidized, private sector jobs

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	1,000	1,000	1,000	1,000
Actual	N/A	2,238	-	-	-

Goal 1. Focus economic development on targeted areas.

Citywide Strategic Priority Area: Promoting economic development

Manager: Jacquelyn A. Flowers, Director

Supervisor: Eric Price, Deputy Mayor for Economic Development

Performance Measure 1.1: Number of local small and disadvantaged businesses participating in the District's set aside program

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	700	725	725	750
Actual	N/A	725	-	-	-

Performance Measure 1.2: Amount of contract awards to the District's local small and disadvantaged businesses per year (millions of dollars)

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	230	400	450	500
Actual	N/A	311	-	-	-

Goal 2. Implement the Mayor's Neighborhood Action initiative

Citywide Strategic Priority Area: Promoting economic development

Manager: Toni Griffin, Deputy Director for Revitalization Planning

Supervisor: Andrew Altman, Director of Planning

Performance Measure 2.1: Number of neighborhood assessments completed

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	N/A	39	TBD	TBD
Actual	N/A	N/A	-	-	-

Performance Measure 2.2: Number of residents engaged through neighborhood forums

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	4,000	1,500	3,000	TBD
Actual	N/A	6,075	-	-	-

Note: FY 2000 and FY 2002 targets include bi-annual Citizens' Summits.

Performance Measure 2.3: Number of neighborhood action plans completed

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	N/A	N/A	39	N/A
Actual	N/A	N/A	-	-	-

Goal 3. Facilitate the revitalization of the Anacostia Waterfront

Citywide Strategic Priority Area: Promoting economic development

Manager: Toni Griffin, Deputy Director for Revitalization Planning

Supervisor: Andrew Altman, Director of Planning

Performance Measure 3.1: Number of Anacostia Waterfront development workshops

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	4	10	4	N/A
Actual	N/A	9	-	-	-

Note: In FY 2002, planning concludes in mid-2002.

Performance Measure 3.2: Number of people involved in Anacostia Waterfront planning events

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	N/A	1,000	1,000	N/A
Actual	N/A	N/A	-	-	-

Note: Citizen participation was not measured during FY 2000.

Goal 4. Promote neighborhood revitalization

Citywide Strategic Priority Area: Promoting economic development

Manager: Toni Griffin, Deputy Director for Revitalization Planning

Supervisor: Andrew Altman, Director of Planning

Performance Measure 4.1: Number of neighborhood commercial corridor strategies completed

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	N/A	Start 2	2	TBD
Actual	N/A	N/A	-	-	-

Goal 5. Promote a balanced, inclusive, fair development review process

Citywide Strategic Priority Area: Promoting economic development

Manager: Ellen McCarthy, Deputy Director for Development Review

Supervisor: Andrew Altman, Director of Planning

Performance Measure 5.1: Number of land use mediations

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	N/A	3	6	TBD
Actual	N/A	N/A	-	-	-

Performance Measure 5.2: Develop and open land use mediation center

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	N/A	Secure funding	Open 1/02	TBD
Actual	N/A	N/A	-	-	-

Goal 6. Promote an efficient development review process

Citywide Strategic Priority Area: Promoting economic development

Manager: Ellen McCarthy, Deputy Director for Development Review

Supervisor: Andrew Altman, Director of Planning

Performance Measure 6.1: Number of zoning cases analyzed

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	58	60	70	TBD
Actual	29	66	-	-	-

Goal 7. Increase effectiveness of historic preservation

Citywide Strategic Priority Area: Promoting economic development

Manager: Ellen McCarthy, Deputy Director for Development Review

Supervisor: Andrew Altman, Director of Planning

Performance Measure 7.1: Number of neighborhood historic preservation workshops

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	N/A	1	3	TBD
Actual	N/A	N/A	-	-	-